

For Immediate Release
June 27, 2013**NR 55-13-G**
Contact: Jaime Garza
1-916-327-8988**Gasoline Excise Tax to Increase 3.5 Cents on July 1, 2013**

Sacramento – July 1, 2013, the excise tax on gasoline will increase 3.5 cents per gallon, from a rate of 36 cents to 39.5 cents per gallon. [Assembly Bill x8 6](#), Ch. 11, and [Senate Bill 70](#), Ch. 9, which became law in 2010, lowered the sales and use tax rate on gasoline and increased the excise tax rate on July 1, 2010. The laws require the annual sales and excise taxes paid on gasoline to remain revenue neutral, assuring the tax burden on consumers is the same. These laws also mandate that the California State Board of Equalization (BOE) adjust the excise tax rate by March 1 of each year in order to ensure revenue neutrality.

Board Members are sensitive to the financial impact of higher gas prices, but state law requires the BOE to adjust the excise tax rate every year to achieve revenue neutrality. While gasoline consumption has been reduced slightly in recent years, in 2011 and 2012 the price of gasoline greatly and unexpectedly outpaced these modest declines in consumption. Higher gasoline prices mean the BOE must adjust the excise tax to make up for the sales tax loss, and achieve the revenue neutrality mandated by the legislation.

Gasoline sales tax revenues fund local government programs, while the state excise tax on gasoline funds highway and mass transit projects throughout California.

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The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$53.7 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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